

CRAIG COMMUNITY ASSOCIATION
CONSTRUCTION PROJECT MANAGEMENT SERVICES AGREEMENT

(Agreement for Professional Construction Management Services –
Port Saint Nichols Road Project)

THIS AGREEMENT is made and entered this 23rd day of July, 2007, by and between the CRAIG COMMUNITY ASSOCIATION, a federally recognized sovereign Indian tribe organized under 25 U.S.C. § 476, hereinafter "CCA", and R&M ENGINEERING-KETCHIKAN, INC., a civil engineering firm, hereinafter "Consultant."

RECITALS

- A. CCA plans to reconstruct the Port Saint Nicholas Road from 0+0.0 to 5.3 Mile PSN Phase 1, along with the construction of nine (9) additional bridges thereon (hereinafter "Project"). The Port St. Nicholas Road runs from the Alaska State Highway connecting Craig and Klawock (Mile 0.0) along the north side of Port St. Nicholas in a generally easterly direction to Mile 7.3, thence southerly around the eastern end of Port St. Nicholas, and thence in a westerly direction along the south side of Port St. Nicholas to Point Mirabelles (Mile 12.2). The City of Craig, an Alaska municipal corporation owns the right of way and the segment of the Port St. Nicholas Road built thereon from Mile 0.0 to Mile 7.3. Shaan-Seet, Inc., is the owner of the right of way and the segment of the Port St. Nicholas Road built thereon from Mile 7.3 to Mile 12.2.
- B. CCA requires professional construction project management services during the construction document phase, the bidding phase, and the construction phase to ensure that the Project meets CCA's needs and is constructed in conformance with the plans and specifications and the construction contract documents and in compliance with 25 C.F.R pt. 170 and Title 23 United States Code, Ch. 1, Federal Aid Highways and Implementing Guidelines.
- C. CCA circulated a Request for Proposals for such professional construction management services.
- D. Consultant has expertise and extensive experience in providing such services.
- E. Consultant has submitted a proposal (hereinafter "Proposal") to CCA and based upon such Proposal, Consultant was selected by CCA to provide the services hereunder.

AGREEMENT

1. SCOPE OF WORK.

The Consultant shall perform and provide CCA with all necessary professional construction management services to complete all design development, construction documents, bidding and construction of the Project as are described in the Scope of Work as more fully set forth in, and limited to, Exhibit "A" attached hereto and incorporated herein. To these ends, the

Consultant shall furnish all technical and professional services, including labor, material, equipment, transportation, supervision and expertise necessary to fully and adequately perform the tasks set forth in Exhibit "A" Scope of Work, so as to ensure the full and adequate completion of the Project, including preparation of documents and reports of completion.

2. WORK STANDARD.

The Consultant shall perform the services with the standard of care and thoroughness normally exercised by nationally recognized professional construction management organizations engaged in performing comparable work under similar circumstances. The standard shall be measured at the time services are rendered to CCA. Consultant shall carry on its construction operations hereunder, and all work connected therewith, in strict compliance with the laws of the State of Alaska and of the United States of America, and any rules and regulations promulgated in conformity thereto, including but not limited to those regulating to road construction, logging, forestry, fire prevention, OSHA, safety and environmental protection to the extent that such laws, rules and regulations apply to the Project.

3. SERVICES.

3.01 The services, hereinafter referred to as the "Services," to be provided hereunder shall ensure that the Project will be completed in accordance with the CCA's objectives of minimal cost, highest quality, and timeliness, and that there are a minimum of disputes and claims. The specifics of the work to be provided are detailed more fully in Exhibit "A" Scope of Work.

3.02 At any time during the term of this Agreement, the CCA may request the Consultant to perform Additional Services. As used herein, "Additional Services" shall mean any service that is determined by the CCA to be necessary for proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the time of execution of this Agreement, and was not included in the Scope of Work. The Consultant shall not perform and not be compensated for Additional Services without obtaining authorization in the form of a written amendment to this Agreement.

4. TIME FOR COMPLETION.

Time is of the essence in provision of professional services under this Agreement.

4.01 Consultant shall furnish the Services during the documentation, bidding, construction, and close-out phases of the Project, including general management duties, construction, and post-construction. Consultant shall begin providing Services upon the date of execution of this Agreement. It is anticipated that the construction document and bidding phases will occur over a time period of approximately six months. The construction and project close-out phases will occur over a time period of an additional 14 months. Contractors and/or CCA will control construction phase timing which may be adjusted to match project funding levels. Consultant shall thereafter remain available to provide services for an additional period of 12

months, for a total contract term of up to 32 months, in the event the Project is extended due to unforeseen events or suspension of the construction.

4.02 Project Schedule. The project schedule, (hereinafter "Project Schedule") set forth in **Exhibit "B"** attached hereto and incorporated herein, is, at the time of execution of this Agreement, the CCA's best estimate of the time period within which the Project and its various phases will be completed. Consultant shall comply with the Project Schedule, shall provide services within the time periods set forth therein, and shall work diligently to ensure that the Project and its phases are completed within the periods set forth in the Project Schedule. CCA and Consultant agree that CCA shall, after consultation with Consultant, update the Project Schedule as necessary and appropriate. Consultant shall comply with any and all updated Project Schedules. Should the Project Schedule be significantly extended due to unforeseeable or unknown circumstances beyond the Consultant's control or the full funding for the road project is aquired, this Agreement may be extended by supplemental agreement, and the Consultant may be compensated for this extension as "Additional Services."

4.02.1 Performance of any Services under this Agreement may be delayed upon mutual written agreement of the Parties. Upon such agreement, the Consultant's schedule for completion of the tasks affected by such delay shall be extended as necessary by the CCA. The Consultant shall take all reasonable steps to minimize delay in completion, and additional costs, resulting from any such extension.

4.02.2 Consultant shall regularly report to the CCA, through correspondence, progress reports or oral presentations, its progress in providing required Services within the scheduled time periods. Such progress reports, including construction and budget updates, shall conform to the requirements set forth in the Scope of Work set forth in Exhibit "A" attached hereto. Progress reports shall be provided to the CCA Transportation Director, Bookkeeper, and CCA Tribal Council at least monthly at an already scheduled Tribal Council meeting. The CCA shall be promptly informed of all anticipated delays. In the event that the Consultant determines that a schedule modification is necessary, the Consultant shall promptly submit a revised schedule for approval by the Project Coordinator.

5. COMPENSATION.

5.01.1 Compensation. The Consultant shall receive a Total Fee for all Services as follows: The Total Fee shall include 1) Fee for Services and 2) Reimbursable Expenses. The Fee for Services is \$110 per hour based upon work of the Principal Consultant, Project Manger or Construction Manager, subject to a cap of \$286,000. The Reimbursable Expenses are based on actual cost, plus 10% administrative and bookkeeping expenses, and not to exceed \$25,000. It is expressly understood and agreed that only the actual costs of the Reimbursable Expenses, as outlined in Exhibit "C" shall be charged to the CCA, and that the Consultant shall not be entitled to any overhead or profit for the Reimbursable Expenses.

5.01.2 Invoicing of Compensation. The Consultant shall invoice the CCA monthly for the Fee for Services in accordance with a mutually agreeable monthly invoicing schedule. The Fee for Services shall be invoiced based upon and accompanied by appropriate

time records describing services performed in the preceding month. The Consultant shall also invoice CCA monthly for the Reimbursable Expenses, as outlined in **Exhibit "C,"** as they are incurred. The invoice shall specifically describe the expense for which reimbursement is sought. As stated above, it is expressly understood and agreed that only the actual costs of the Reimbursable Expenses shall be charged to the CCA, and that the Consultant shall not be entitled to any overhead or profit for the Reimbursable Expenses. Within thirty (30) days of its receipt of an invoice from the Consultant for the Reimbursable Expense or any portion of the Total Fee, the CCA shall review and pay all approved charges thereon. If the CCA requires additional information or documentation to verify and approve the reimbursement expense, the Consultant shall promptly provide such information or documentation, and the payment period shall be extended by the number of days needed to provide such information or documentation. If payment is not made within 30 days of an invoice as described in this section, CONTRACTOR reserves the right to bill interest at a government approved rate.

5.01.3 Compensation for Additional Services. The Consultant shall be compensated for Additional Services at the rates as shown on Consultant's Price Proposal, **Exhibit "D"**. The Consultant shall invoice the CCA monthly for any Additional Services as they are incurred. Within thirty (30) days of its receipt of an invoice from the Consultant for the Additional Services, the CCA shall review and pay all approved charges thereon. If the CCA requires additional information or documentation to verify and approve the compensation request, the Consultant shall promptly provide such information or documentation, and the payment period shall be extended by the number of days needed to provide such information or documentation.

5.01.4 Payment Upon Project Suspension or Abandonment. If the Project is suspended or abandoned in whole or in part, the Consultant shall be compensated for all services performed prior to receipt of written notice from the CCA of such suspension or abandonment. If the Project is resumed after being suspended, the Consultant's compensation shall be equitably adjusted.

5.01.5 Access to Records. CCA shall have reasonable opportunity to inspect and audit all of Consultant's accounts and records pertinent to claims for payment made upon CCA. The Consultant shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of the Agreement, but not limited to the costs of administering this Agreement. The Consultant shall make such materials available at its offices at all reasonable times during the Agreement period and for four (4) years after the date of final payment under this Agreement. The CCA or any duly authorized representative of CCA shall have access to any books, records, and documents of the Consultant that are pertinent to this Agreement for audits, examinations, excerpts, and transactions. Copies thereof shall be furnished if requested.

5.02 CCA Furnished Information and Services. CCA shall furnish to the Consultant or be responsible for the following:

5.02.1 CCA shall provide full information regarding the requirements of the Project, which shall set forth the CCA's objectives, constraints and criteria, including budget limitations and scheduling.

5.02.2 The services, information and reports required by this Section shall be furnished at the CCA's expense, and the Consultant shall be entitled to reasonably rely upon their accuracy and completeness. The Consultant shall not be entitled to unreasonably rely upon obviously inaccurate or incomplete information or reports. If the Consultant should believe that any information or report provided by the CCA is inaccurate or incomplete, the Consultant shall promptly bring such belief to the attention of the CCA so as to allow the CCA to take any appropriate action to correct the error. If the CCA observes or otherwise becomes aware of any fault or defect in the Project, or nonconformance with the Contract Documents, prompt written notice thereof shall be given by the CCA to the Consultant and the Architect.

5.03 The CCA shall give reasonably prompt consideration to all matters submitted by the Consultant for approval to the end that there will be no substantial delays in the Consultant's program of work. For an approval, authorization, request, or any direction to the Consultant to be binding upon the CCA under the terms of the Agreement, such approval, authorization, request, or direction must be in writing and be signed on behalf of the CCA by the Project Administrator or a person designated by the Project Administrator.

6. ADMINISTRATION OF AGREEMENT.

CCA will appoint a Project Administrator who will administer all design and construction aspects of the project. The Project Administrator will review and approve, as needed, the details of Consultant's work as it progresses. The Project Administrator shall furnish the required information and services, and shall render approvals and decisions as expeditiously as necessary for the orderly progress of the Consultant's services and the work of the Contractor on the Project. The Project Administrator will be responsible for the following:

6.01 Examination of documents. Documents submitted to CCA by the Consultant shall be reviewed and timely decisions rendered pertaining thereto.

6.02 Communications. Communications between the Consultant and CCA officials and employees shall be provided through the Project Administrator. Access to pertinent CCA records and documents shall also be provided to Consultant.

6.03 Informal Dispute Resolution. If a disagreement or dispute arises between the CCA and the Consultant with regard to interpretation or implementation of this Agreement, or concerning obligations under this Agreement, the following procedure shall be followed to resolve the dispute:

6.03.1 The Project Administrator and the Consultant shall meet and confer and attempt to reach agreement on the issue, and if damages are claimed, the amount of the damages, and the measure of damages, if any, each party shall be responsible for.

6.03.2 If the Project Administrator and the Consultant cannot reach agreement, the disputed issues shall be submitted in writing to a panel of three (3) people for a recommended resolution. The Consultant and the CCA shall each select one member of panel and the third member of the panel shall be mutually agreed upon by the CCA and the Consultant.

6.03.3 Upon receipt of the panel's recommendation resolution of the disputed issues, the CCA and the Consultant shall again meet and confer and attempt to reach agreement based on said recommendation. If the parties still are unable to reach agreement, each party shall have recourse as provided and specifically limited by Section 10.11 herein.

6.03.4 Unless instructed to do so by CCA, Consultant shall not cease providing services due to the existence of any such dispute.

7. TERMINATION.

7.01 Termination for Convenience. The CCA may terminate this Agreement at any time by giving no less than thirty (30) days prior written notice to the Consultant of such termination and specifying the effective date thereof. In the event of termination by CCA under the terms of this provision, all finished or unfinished documents and other materials prepared under this Agreement shall become the CCA's property. If the Agreement is terminated by the CCA as provided herein, the Consultant shall be paid an amount which reflects all costs incurred for Services completed pursuant to the specifications of the Contract Documents up to the date of termination set forth in the notice.

7.02 Termination of Agreement for Cause. If through any cause, the Consultant fails to fulfill in a timely and proper manner its obligations under this Agreement, or if Consultant violates any of the covenants, agreements, or stipulations of this Agreement, and any such default is not cured after receipt of written notice from CCA of the nature of the default and the demand for cure, the CCA may terminate the agreement for cause in accordance with this section. Any such written notice to cure shall provide Consultant a ten (10) day period within which to cure the default, unless some shorter period of cure is specified in the notice and such shorter period is appropriate or necessary under the particular circumstances.

7.02.1 In the event the Agreement is terminated by CCA for cause under this paragraph, all finished or unfinished documents, communications, notes, diaries, drawings, photographs, reports or other materials prepared by Consultant under this Agreement shall become property of CCA.

7.02.2 If the termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, the Consultant shall be compensated for those Services which have been completed and accepted by the CCA pursuant to the specifications of the Contract Documents. In addition, the Consultant shall not be entitled to payment for any Reimbursable Expenses beyond the date of termination. In such case, the CCA may take over the work and prosecute the same to completion by contract or otherwise. Following discontinuance of the

Services and any Additional Services, the CCA may arrange for a meeting with the Consultant to determine what steps, if any, the Consultant can take to adequately fulfill its requirements under this Agreement. In its sole discretion, the Project Administrator, or Project Administrator's designee, may propose an adjustment to the terms and conditions of the Agreement, including the contract price. Such contract adjustments, if accepted in writing by the Parties, shall become binding on the Consultant and shall be performed as part of this Agreement. In the event of termination for cause, unless otherwise agreed to in writing by the Parties, this Agreement shall terminate thirty (30) days following the date the notice was mailed to the Consultant. Termination of this Agreement for cause may be considered by the CCA in determining whether to enter into future agreements with the Consultant.

7.03 Termination by the Consultant. This Agreement may be terminated by the Consultant only upon the CCA's failure to substantially perform in accordance with the terms of this Agreement, and only upon thirty (30) days advance written notice. If the Consultant provides notice to the CCA under this subsection, the CCA may expedite the termination of this Agreement by providing written notice to the Consultant to terminate its services on a date certain. If termination occurs under this subsection, the Consultant shall be compensated for those Services that have been completed in accordance with the Scope of Work and pursuant to the specifications of the Contract Documents.

7.04 Waiver of Damages for Termination. The Consultant, in executing this Agreement, shall be deemed to have waived any and all claims for damages that may otherwise arise from the CCA's termination of this Agreement, for convenience or cause.

8. INSURANCE.

8.01 General Liability Insurance. The Consultant shall, at his sole expense, obtain and keep in full force and effect for the duration of this Agreement, general public liability and property damage insurance, which includes automobile liability insurance in a combined single limit of not less than ONE MILLION DOLLARS (\$1,000,000.00). The insurance coverage shall name the CCA, its officers, employees and agents, as additional insured and shall contain a provision that the insurance will not be canceled without thirty (30) days prior written notice to the CCA. Insurance afforded under the policy is primary and any insurance maintained by CCA shall apply in excess of and not contribute with, insurance provided by this policy.

8.02 Professional Liability Insurance. Consultant shall also carry an "occurrence" policy form of Professional Liability Insurance at its sole expense for the duration of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00), and with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000.00) which insurance shall contain an additional insured clause and a 30-day notice of cancellation provision.

8.02.1 In lieu of an "occurrence" policy form insurance, the Consultant may provide Professional Liability Insurance utilizing a "claims made" policy form, containing the following provisions:

- (a) Guaranteed extended reporting period availability for the term set forth in Section 8.02.2;
- (b) Restoration of full limits of coverage for the full extended reporting period;
- (c) Notification by the Consultant's insurance carrier to the CCA at least thirty (30) days in advance of cancellation, failure to renew, or other termination, or if the extended reporting period provision is not exercised within the term set forth in Section 8.02.2.

8.02.2 Term of Coverage. Consultant will at his own expense maintain coverage in conformance with the above requirements with the carrier providing the coverage pursuant to this Agreement for a period of three (3) years after the termination of this Agreement, or a period of three (3) years after the Contract Completion Date. In lieu of maintenance of coverage with the same carrier, Consultant will secure coverage of the extended recovery period for a period ending not earlier than three (3) years from such dates.

8.03 Workers' Compensation. Consultant shall during the entire term of this Agreement and at its sole cost and expense obtain and maintain in full force and effect Workers' Compensation insurance meeting the requirements of all applicable provisions of law.

8.04 Certificate of Insurance. A certificate for each such insurance policy shall be submitted to CCA within 30 days of execution of this Agreement. The errors and omissions insurance certificate shall include a certification that the Project is included within its coverage.

9. SPECIAL CONDITIONS.

9.01 Consultant agrees that it shall assign a Principal Consultant, who shall be Ron Skillings, and who shall remain in this position throughout the term of this Project, not to exceed three years, and may not be changed without written consent of CCA, except as set forth herein below. Removal without written consent of CCA shall be considered a default of this Agreement and the provisions of Section 7.02 shall apply. Moreover, CCA may in its absolute discretion and at any time during the term of this Agreement require the removal and replacement of the Project Consultant. Such removal and replacement by CCA may be with or without cause.

9.02 Consultant agrees that it shall assign a Project Manager, who shall be Ron Skillings, and who shall remain in this position throughout the term of this Project, not to exceed three years, and may not be changed without written consent of CCA, except as set forth herein below. The Project Manager shall be the Consultant's representative who will be primarily responsible during the Design Development and Construction Document phase and the Bidding Phase of the Project. Removal without written consent of CCA shall be considered a default of this Agreement and the provisions of Section 7.02 shall apply. Moreover, CCA may in its absolute discretion and at any time during the term of this Agreement require the removal and replacement of the Project Manager. Such removal and replacement by CCA may be with or without cause.

9.03 Consultant agrees that it shall assign a Construction Project Manager for the Project, who shall be Ron Skillings, and who shall remain in this position throughout the term of this Project, not to exceed three years, and may not be changed without written consent of CCA, except as set forth herein below. The Project Manager and Construction Project Manager may be the same person(s). Removal without written consent of CCA shall be considered a default of this Agreement and the provisions of Section 7.02 shall apply. Moreover, CCA may in its absolute discretion and at any time during the term of this Agreement require the removal and replacement of the Construction Project Manager. Such removal and replacement by CCA may be with or without cause. In the event that project management during the winter shut down period is necessary, the work maybe performed by other R&M Engineering-Ketchikan personnel.

10. AGREEMENT PROVISIONS.

10.01 Licenses. The Consultant represents and maintains that it is skilled in the professional fields necessary to perform all services, duties and obligations required by this Agreement to fully and adequately complete the Project. The Consultant shall perform the services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of Alaska. The Consultant further represents and warrants to the CCA that it has all licenses, permits, qualifications and approvals of whatever nature are legally required to practice its profession. The Consultant further represents that it shall keep all such licenses and approvals in effect during the term of this Agreement.

10.02 Services. The Consultant shall allow the CCA's Project Administrator or Project Administrator's designee to inspect or review the Consultant's services at any reasonable time in order to determine whether the services are being performed according to the terms of this Agreement.

10.03 Independent Contractor. CCA retains the Consultant on an independent contractor basis and the Consultant is not an employee, agent or representative of the CCA. Personnel performing the Services under this Agreement on behalf of the Consultant shall at all times be under the Consultant's exclusive direction and control. The Consultant shall pay all wages, salaries and other amounts due such personnel in connection with their performance of Services and as required by law. The Consultant shall be responsible for all reports and obligations respecting such personnel, including but not limited to, social security taxes, income tax withholdings, unemployment insurance, and workers' compensation insurance.

10.04 Assignment. All Services to be furnished under this Agreement shall be deemed professional services. As such, the Consultant shall have neither the right nor the power to assign, sublet, transfer or otherwise substitute its interest in or obligations under this Agreement without the prior written consent of the CCA.

10.05 Subcontracting. The Consultant shall perform the work contemplated with resources available within its own organization and no portion of the work pertinent to this Agreement shall be subcontracted without prior written authorization by the CCA.

10.06 Documents. The CCA shall have the right to obtain for its records copies of all materials and documents that may be prepared by the Consultant under this Agreement. The CCA shall not be limited in any way in their use of such materials at any time, provided that any such use not within the purposes intended by this Agreement shall be at the CCA's sole risk and provided that the Consultant shall be indemnified by the CCA against any damages resulting from or arising out of such use, including the release of this material to third parties for a use not intended by this Agreement. The originals of all documents generated or received are and shall remain the property of the CCA.

10.07 Prohibited Interests. For the term of this Agreement, no member, officer or employee of the CCA, during the term of his or her service with the CCA, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

10.08 Other Consultants. The CCA reserves the right to employ other consultants in connection with the Project, or to perform work related to the Project with the CCA's own forces.

10.09 Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the United States or the laws of the State of Alaska.

10.10 Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, each party shall bear their own costs and fees of such action.

10.11 Disputes. Except as specifically provided herein, CCA does not and shall not waive, limit, or modify its sovereign immunity from any lawsuit. CCA does, however, expressly and irrevocably waive its immunity from suit under this Agreement as provided for and limited by this section. Arbitration shall be the sole remedy as to all disputes, controversies, or claims between the parties arising out of or relating to the parties' rights and obligations established by this Agreement. A party making a claim shall, by written notice to the other party, invoke arbitration as the sole method to resolve the dispute. Arbitration shall be conducted in Ketchikan, Alaska under the Commercial Arbitration Rules of the American Arbitration Association, and the Federal Arbitration Act, except that: (1) nothing in said Rules or Act shall be construed as consent by CCA to suit in the courts of the state of Alaska or in the courts of any other State, except an action to compel arbitration or to enforce a valid arbitration award; and (2) the laws of the State of Alaska shall be applied only to the extent that no Federal law applies. The parties shall mutually agree on a single arbitrator to hear a dispute. The arbitrator shall be an attorney who is licensed in good standing of the State Bar of Alaska or the bar of another State, and has at least five (5) years experience in both construction law and Federal Indian law. The decision of the arbitrator shall be final and binding without recourse to any court. The costs of arbitration, such as the arbitrator's fees, shall be borne equally by the parties. Each party shall bear their own attorneys' fees and costs. The arbitrator shall have no authority to award consequential, exemplary, incidental or punitive damages, or attorneys' fees or costs. The arbitrator shall only have the authority to award actual damages or equitable relief. Any awards or damages resulting from the dispute resolution process against CCA shall be limited by the available, uncommitted remaining funds for the Project or insurance proceeds or

property thereof, if any. This limited waiver of sovereign immunity shall commence as of the effective date of this Agreement and shall continue for a period of three (3) months following the termination of the Agreement. This limited waiver of sovereign immunity is solely for the benefit of Consultant and shall not be construed as a waiver of sovereign immunity to any other party.

10.12 Headings. Article and section headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

10.13 Notices. All notices hereunder and communications regarding interpretation of the terms of the Agreement or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

Sam Thomas	Trevor Sande
Craig Community Association	R&M Engineering Ketchikan, Inc.
P.O. Box 828	355 Carlanna Lake Road, Ste. 200
Craig, AK 99921	Ketchikan, AK 99901

Any notice so given shall be considered served on the other party three (3) days after deposit in the U.S. Mail, first class postage prepaid, return receipt requested, and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred regardless of the method of service.

10.14 Agreement Provisions Control. In the event that provisions of any attached appendices or exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the performance of the Services. Notwithstanding any term of this Agreement, in the event of a conflict between the terms of this Agreement and any provision of applicable federal law or federal regulations as they apply to the Project, federal law or federal regulations shall control over the terms of this Agreement.

10.15 Amendment. In the event that the parties determine that the Scope of Work or other provisions of this Agreement must be altered, the parties may execute a contract amendment to delete Services, to add Services, or to amend any other provision of this Agreement. All such contract amendments must be in the form of a written instrument signed by the original signatories to this Agreement, or their successors or designees.

10.16 Severability. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

10.17 Entire Agreement. The CCA and the Consultant have executed this Agreement exclusively on the terms and conditions specified herein. This Agreement and the attachments

hereto constitute the sole agreement between the Parties concerning the performance of services and shall supersede any previous agreements or understandings.

10.18 No Third Party Rights. This Agreement shall not create any rights in, or inure to the benefits of, any third party except as expressly provided herein.

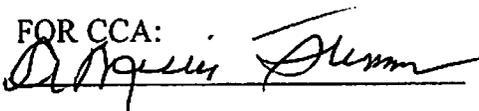
10.19 Non-Waiver. None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specified in writing.

10.20 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of its employees, consultant and subcontractors appropriate to the nature of the work and the conditions under which the work is to be performed.

10.21 Indemnity. Consultant agrees to protect, save, defend and hold harmless the CCA, its Board of Supervisors and each member thereof, its officers, agents and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of or in any way connected with the negligent acts, errors or omissions or willful misconduct by Consultant or independent consultants hired by Consultant under this Agreement. The only exceptions to Consultant's responsibility to protect, save, defend and hold harmless the CCA is due to the sole negligence, willful misconduct or active negligence of the CCA or the CCA employees or subcontractors. This hold harmless Agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Consultant.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

FOR CCA:



FOR CONSULTANT:

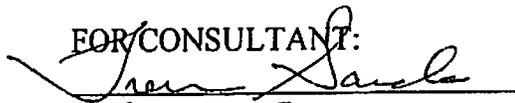

TREVOR SANDE
RFM ENGINEERING - KETCHIKAN
365 CARLANNA LAKE ROAD
KETCHIKAN, AK 99901

Exhibit "A"

R&M will provide a full-time Project Manager for on-site construction management, supervision of quality control and inspection and supervision of surveying services. Other R&M support staff will travel to Craig as necessary, including personnel required for surveying, material testing and project management. The Project Manager will be assisted from the R&M survey crews and materials testing personnel when necessary.

The Project Manager will conduct weekly progress meetings during construction with the CCA Tribal Roads Manager and the project crews to review the week's work items, schedule and safety. R&M will assist CCA Tribal Roads Manager with review of payroll and timesheet accounting. R&M will perform compliance review of the project documents and note changes to the plans as well as keep "redline" or as-built records of all changes to the project plans. The Project Manager will perform daily inspection of all work performed and report all equipment, labor and materials in the daily reports. Inspection will include all excavation, grading, culvert installation, utilities relocation, concrete placement, formwork, bolts, welds and soils. Daily reports will be recorded in a project diary and monthly summaries will be prepared and submitted to CCA, BIA, FHWA and ADOT & PF.

The Project Manager will coordinate with R&M's testing personnel to perform all materials testing required for compliance certification of construction. Materials testing will include soils testing such as laboratory analysis of the proposed embankment and backfill gravels including modified proctor and sieve analysis. Field density testing of in-place materials will be performed using a nuclear densometer. Concrete cylinders and soil samples will be shipped to the R&M laboratory in Ketchikan for testing. R&M's materials compliance officer will review all testing and certify that construction conforms with the plans and specifications.

R&M will employ their familiarity with the territory, agencies, construction environment and CCA staff to see that the projects are completed in an efficient and cost-effective manner. In addition, the work will meet the requirements of the CCA request for proposals, including:

1.0 General Management

- 1.01 Assure Project is in Compliance with 25 C.F.R., Part 10, & Title 23 U.S.C. Chapter 1, Federal Aid Highways and Implementing Guidance.
- 1.02 Prepare a Comprehensive work plan for the project.
- 1.03 Prepare a Master Schedule.
- 1.04 Prepare a budget and determine feasibility.
- 1.05 Provide on-site supervision and inspection to ensure contract design, specification compliance, a Temporary Traffic Control Plan and Hazardous Waste Control Plan.
- 1.06 Coordinate Contractors, Administer Contracts, assess possible change orders and process payment requests through CCA's Transportation Director.

2.0 Construction

- 2.01 Maintain a Construction Management Ledger on project daily activities prepare the daily and weekly inspection reports, as well as the project schedule. Review and approve project submittal in compliance with the approved plans and specifications for the project.
- 2.02 Coordinate all Local, State, and Federal inspections.

- 2.03 Maintain a redlines as-built drawings for the project (final drawings at the post-construction stage).
 - 2.04 Arrange for the delivery and storage for all materials, supplies, and equipment.
 - 2.05 Arrange for all required material testing for the project.
 - 2.06 Provide monthly project and progress updates to CCA which include construction and budget updates for their review.
 - 2.07 Provide an overview of all trade contractor's safety programs.
 - 2.08 Ensure that Public health and safety are adequately carried out throughout the project.
- 3.0 Post Construction
- 3.01 Accomplish final accounting with accountant/bookkeeper of each construction contract.
 - 3.02 Prepare a list of sub-standard work and ensure appropriate inspections are completed.
 - 3.03 Release and obtain final liens and necessary closeout documentation.
 - 3.04 Give final budget to the CCA Tribal Council.
 - 3.05 Other items to complete the project.

EXHIBIT "B"

PROJECT MANAGEMENT SCHEDULE: Below is R & M engineering's project management schedule of activities through the duration of the road and bridge contract. The actual starting date for each phase is dependent upon when the final plans and specifications are received.

Phase 1: Pre Final Easements; July/August 2007

- Review all contract plans and specification, break the package it to logical phases
- Set up contracts as needed to accomplish fall activities
- Develop comprehensive plan of work for the CCA council's approval.
- Present a hiring plan to the CCA council for approval

Phase 2: Post Easements; September/October 2007

- Issue all reporting requirements to start road construction project
- Implement hiring plan, assist CCA in hiring a traffic safety management team
- Issue a work order to R&M to set survey control, mark right-of-way and power poles
- Develop a storm runoff prevention plan and present to CCA to install
- issue notice to proceeded to APT for the installation of new power poles and lines
- rent equipment to strip proposed rock sources and material and equipment storage yard
- Issue RFQ for rock pit drilling and blasting
- Meeting with CCA council monthly
- Plan for spring 2008 construction season

Phase 3: Winter Shutdown; November 07 until April 08

- Finalize ordering all materials
- Review and adjust the hiring plan
- Develop and award contract construction and equipment contracts
- Develop a finite operations plan for the construction season

Phase 4: Construction Season: April to November 08

- Implement operations plan
- Implement hiring plan
- Keep CCA council monthly on budget and progress
- Meet all reporting requirements

Phase 5: Winter Shutdown: November 07 until April 09

- Adjust operation plan for 2009
- Adjust hiring plan
- Develop and award paving, stripping, and guardrail contracts

Phase 6: Construction Season: April to November 09

- Implement operations hiring plans
- Finish bridge construction project
- Finalize paving, stripping and signage of the Port St. Nicholas Road
- Meet with CCA board monthly
- Develop a complete set of as-built-plans
- Finalize R&M contract

Exhibit "C"

Reimbursable Expenses.

1 Expenses incurred in handling CCA's affairs will be charged back to CCA. Such expenses include costs of outside services as well as Consultant's internal costs incurred in procuring, administering, and financing such services, including but not limited to the following:

1.1 Travel expenses, including airfares, taxi, ferry and bus fares, and automobile mileage calculated at the rate calculated by the American Automobile Association for an intermediate size automobile at intermediate mileage levels for the calendar year in which such expense is incurred when a private automobile is used, cost of lodging, meals, etc., including hospitality for third parties of importance to CCA, when on CCA business; and including all of the above expenses when weather or other factors beyond Consultants' control prohibit fulfilling the purpose of the trip;

1.2 Telephone, telex, facsimile, telegraph, and related charges for retrieval or transmission of voice or data;

1.3 Mailing expenses and related charges;

1.4 Costs of printing or reproducing documents at \$0.15 per page for photocopies and the costs of printed materials produced by vendors outside Consultants' office;

1.5 Other expenses as shown on Consultant's attached Fee Schedule effective dated April 1, 2007.

Exhibit "D"

Additional Services

The consultant may be called on to provide additional professional services beyond those encompassed in the scope of work for CCA on the road and bridge construction contract. The following is a list of potential services that may be requested.

- 1.1 Initial survey control, monumentation and marking the right-of-way. This work item will be paid at the standard consultant's fee for services rate (see attached) and will not exceed a total price of \$40,000 for this task item.
- 1.2 Materials and quality testing for new aggregate sources. This work item will be paid at the standard consultant's fee for services rate (see attached) and will not exceed a total price of \$4,000 for this task item.
- 1.3 Blasting plan development and seismic analysis. This work item will be paid at the standard consultant's fee for services rate (see attached) and will not exceed a total price of \$4,000 for this task item.
- 1.4 Initial survey control, monumentation and marking on the bridge contract. This work item will be paid at the standard consultant's fee for services rate (see attached) and will not exceed a total price of \$40,000 for this task item.

FEE SCHEDULE
EFFECTIVE: April 1, 2007

PRINCIPAL AND/OR ASSOCIATES

CIVIL ENGINEER, PRINCIPAL	\$125.00/HOUR
REGISTERED LAND SURVEYOR	\$110.00/HOUR
ENGINEERING GEOLOGIST	\$100.00/HOUR
CIVIL ENGINEER, ASSOCIATE	\$100.00/HOUR

ENGINEERING AND SURVEYING SERVICES (STAFF)

CIVIL ENGINEER, LEVEL 4	\$110.00/HOUR
CIVIL ENGINEER, LEVEL 3	\$102.00/HOUR
CIVIL ENGINEER, LEVEL 2	\$94.00/HOUR
CIVIL ENGINEER, LEVEL 1	\$86.00/HOUR
CIVIL ENGINEER, JR.	\$74.00/HOUR
REGISTERED LAND SURVEYOR, STAFF	\$86.00/HOUR

	<u>STRAIGHT TIME</u>	<u>OVERTIME</u>
<u>TECHNICIAN SERVICES</u>		
ENGINEERING TECHNICIAN, SR.	\$74.00	\$85.00
ENGINEERING TECHNICIAN	\$67.00	\$60.00
SENIOR DRAFTER	\$72.00	\$85.00
DRAFTER	\$67.00	\$80.00
TWO-MAN SURVEY TEAM	\$140.00	\$165.00
THREE-MAN SURVEY TEAM	\$180.00	\$215.00

(Rates furnished on request for Little Davis Bacon Act projects.)

SPECIALIZED ENGINEERING AND/OR SURVEYING EQUIPMENT

SURVEY TOTAL STATION	\$15/HOUR - \$65/DAY
GPS RTK	\$425/DAY
GPS 2 nd BASE	\$225/DAY
PERSONAL COMPUTER w/ AutoCAD	\$10/HOUR
AUTOCAD PLOTS - PAPER OR VELLUM	\$3.50/SHEET
AUTOCAD PLOTS - MYLAR	\$9.00/SHEET

VEHICLES

SURVEY VAN	NO CHARGE
SKIFF, OUTBOARD, & TRAILER	\$75/DAY
RENTAL VEHICLES	COST (INVOICE)+ 15%

OTHER

PHOTOCOPIES	\$0.25/EACH
LONG DISTANCE CALLS	COST (INVOICE)+ 15%
TRAVEL EXPENSES	COST (INVOICE)+ 15%
CHAINSAW	\$15/DAY
HANDHELD RADIO	NO CHARGE
OTHER ITEMS NECESSARY FOR SPECIFIC PROJECTS	COST (INVOICE)+ 15%
LAND MONUMENTS: PRIMARY W/WITNESS POST	\$35/EACH
LAND MONUMENT: SECONDARY	\$17.50/EACH
CARSONITE POSTS	\$15/EACH

R&M ENGINEERING-KETCHIKAN, INC.

355 Carlanna Lake Road
 Ketchikan, Alaska 99901
 (907) 225-7917 FAX 225-3441
 smenzies@rmketchikan.com

EFFECTIVE: JANUARY 2000

**SCHEDULE OF FEES - LABORATORY AND FIELD TESTING
 (PARTIAL LIST)**

NO.	TEST DESCRIPTION	REFERENCE OR METHOD	UNIT PRICE
AGGREGATES			
A- 1	Sieve analysis of fine aggregates (inc. wash)	ASTM C136 AASHTO T27	\$ 75.00
A- 2	Sieve analysis of coarse aggregates	ASTM C136 AASHTO T27	\$ 75.00
A- 3	Materials finer than #200 by washing	ASTM C117 AASHTO T11	\$ 75.00
CONCRETE			
C -1	Compressive strength (6"x12"cyl.)	ASTM C39 AASHTO T22	\$ 35.00
C- 3	Concrete mix design (includes all tests on plastic concrete)	ACI 613	\$ 750.00-1 MIX \$1,200.00-2 MIX \$1,400.00-3 MIX
C- 5	Field control tests		
	A. Slump	ASTM C143	\$ 30.00
	B. Air content by pressure method	ASTM C23 AASHTO T152	\$ 30.00
	C. Casting 6"x12" cylinders (3)	ASTM C31 AASHTO T23	\$ 36.00
H- 5	Cure concrete cylinder w/o compression testing		\$ 25.00
SOIL COMPACTION & CONTROL TESTS			
S-51	Modified proctor compaction test	ASTM D1557 AASHTO T180	\$ 375.00
S-53	Field density test, Nuclear method (Rate may be reduced depending upon number of tests)	ASTM D2922	\$ 85.00
WATER QUALITY ANALYSIS			
Microbiological Analysis			
Drinking Water and Surface Water			
	Total Coliform Bacteria (Membrane Filter) Standard Method 9222B		\$ 35.00
	Fecal Coliform Bacteria (Membrane Filter) Standard Method 9222D		\$ 45.00
Pools and Spas			
	Heterotrophic Plate Count (Pour Plate Method) Standard Method 9215B		\$ 45.00
General Water Quality			
	In-Place testing of saltwater and fresh water (Tests can be taken to depths of 100 meters) Temperature, Turbidity, Dissolved Oxygen, Specific Conductivity, Secchi Disk		Quoted on Request
	Water sampling to depths of 50 meters		Quoted on Request
STANDBY, TRAVEL AND SAMPLE HANDLING		Technician hourly rate plus expenses	

FEE SCHEDULE
 LABORATORY AND FIELD TESTING

Effective July 2001

AGGREGATES

TEST NO.	TEST ITEM	REFERENCE OR METHOD	UNIT PRICE
A-1	Sieve analysis of aggregates (inc. wash)	ASTM C136 AASHTO T27	\$ 150.00
A-3	Materials finer than #200 by washing	ASTM C117 AASHTO T11	\$ 65.00
A-4	Specific gravity & absorption, F.A.	ASTM C128 AASHTO T84	\$ 150.00
A-5	Specific gravity & absorption, C.A.	ASTM C127 AASHTO T85	\$ 105.00
A-6	Moisture content of aggregates		
	A. Oven dry	ASTM C556	\$ 40.00
	B. Burning with methanol	ALASKA T-5	\$ 40.00
A-7	Organic impurities in sands for concrete	ASTM C40 AASHTO T21	\$ 60.00
A-8	Clay lumps & friable particles	ASTM C142 AASHTO T112	\$ 70.00
A-10	Soft particles by scratch hardness	ASTM C235 AASHTO T189	\$ 25.00
A-11	Flat & elongated particles	ALASKA T-9	\$ 200.00
A-12	Fractured particles	ALASKA T-4	\$ 110.00
A-13	Sticks & roots		\$ 40.00
A-14	Unit weight (dry loose & dry rodded)	ASTM C29 AASHTO T19	\$ 60.00
A-15	Sodium sulfate soundness (5 cycles), F.A.	ASTM C88 AASHTO T104	\$ 275.00
	Magnesium sulfate soundness (5 cycles), F.A.	ASTM C88 AASHTO T104	\$ 275.00
A-16	Sodium sulfate soundness (5 cycles), C.A.	ASTM C88 AASHTO T104	\$ 275.00
	Magnesium sulfate soundness (5 cycles), C.A.	ASTM C88 AASHTO T104	\$ 275.00
A-17	Freeze-thaw soundness	AASHTO T103	\$ 15.00/Cycle
A-18	Geologic description		\$ 40.00
A-19	Petrographic exam of aggregate for concrete	ASTM C295	\$ 125.00
A-20	L.A. Abrasion, FA (small size)	ASTM C131 AASHTO T98	\$ 175.00
	L.A. Abrasion, CA (large size)	ASTM C535	\$ 175.00
A-21	Shale & spall materials (SP.GR. 1.95)	AASHTO T150	\$ 105.00
A-22	Surface moisture in FA	ASTM C70 AASHTO T142	\$ 25.00
A-23	Degradation of aggregates	ALASKA T13	\$ 175.00

BITUMINOUS MATERIALS

B-1	Asphalt content of bituminous mixtures incl. ash	ASTM C2172 AASHTO T164	
	A. Centrifuge extraction		\$ 275.00
	B. Reflux extraction		\$ 275.00
B-2	Gradation of extracted materials (inc. wash)	AASHTO T30	\$ 150.00
B-3	Density of compacted bituminous mixtures		
	A. Paraffin-coated specimens	ASTM D1188 AASHTO T166	\$ 45.00
	B. Saturated surface-dry specimens	ASTM D2726	\$ 40.00
B-4	In-place by nuclear method Marshall stability & flow test (Set of 2)	ASTM D1559	\$ 200.00
B-5	Mix design-Marshall method (in addition to aggregate tests)		\$2,500.00
B-6	Stripping of aggregates bitumen mixtures	ASTM D1664 AASHTO T142	\$ 200.00
B-7	Maximum Sp. Gr. of uncompacted bitumen mixtures	ASTM D2041 AASHTO T209	\$ 150.00
B-8	Coring of bituminous pavements		
	A. 8" dia. core (up to 4" in length)		\$ 10.00/HAN
	B. 4" dia. core (up to 4" in length)		\$ 8.00/HAN
	C. 3" dia. core (up to 4" in length)		\$ 8.00/HAN

CONCRETE

C-1	Compressive strength (6"x12" cyl.)	ASTM C39 AASHTO T22	\$ 35.00
C-3	Compressive Strength (mortar cubes)	ASTM C91	\$ 105.00(Set-3)
C-3	Concrete mix design (includes all tests on plastic concrete)	ACI 613	\$ 750.00-1 MIX \$1,150.00-2 MIX \$1,350.00-3 MIX
C-4	Flexural strength (6"x6" beams)		
	A. Center-point loading	ASTM 293	\$ 175.00
	B. Third-point loading	ASATM C78 AASHTO T97	\$ 175.00

CONCRETE

TEST NO.	TEST ITEM	REFERENCE OR METHOD	UNIT PRICE
C-5	Field control tests		
	A. Slump	ASTM C143	\$ 35.00
	B. Air content by pressure method	ASTM C23 AASHTO T152	\$ 35.00
	C. Casting 6"x12" cylinders (3)	ASTM C31 AASHTO T23	\$ 35.00
C-6	Yield test (includes slump, air content, unit weight, casting three cylinders, pick up, curing, and final report)	ASTM C138 AASHTO T121	\$ 150.00
C-7	Plant control testing		ESTIMATE FURNISHED ON REQUEST
C-8	Diamond coring and testing of concrete	ASTM C42 AASHTO T24	
	A. 6" dia. core (up to 12" in length)		\$ 18.00/HAN
	B. 4" dia. core (up to 8" in length)		\$ 16.00/HAN
	C. 3" dia. core (up to 6" in length)		\$ 15.00/HAN
C-9	Sample pick-up		\$ 50.00/HOUR
	Special conditions include standby time exceeding one hour and travel ten or more miles from our laboratory.		

SAMPLE HANDLING & STORAGE

H-5	Cure concrete cylinder w/o compression testing		\$ 35.00/Cyl.
H-8	Obtaining samples from field		ACTUAL FREIGHT CHARGES AND \$50.00/HOUR
H-9	Test conducted at remote field location	ACTUAL FREIGHT	RATES PLUS \$50.00/HOUR FOR ANY STANDBY TIME

SOIL INDEX PROPERTIES & CLASSIFICATION

S-1	Sieve analysis of soil	ASTM D422 AASHTO T88	\$ 150.00
S-2	Hydrometer analysis of fine-grained soil	ASTM D422 AASHTO T88	\$ 90.00
S-3	Particle size analysis of soil	ASTM D422 AASHTO T88	\$ 150.00
S-4	Atterberg limits (LL, PL, PI)	ASTM D4318	\$ 110.00
	Liquid limit only	ASTM D432 AASHTO T89	\$ 50.00
	Plastic limit only	ASTM D424 AASHTO T90	\$ 45.00
S-5	Shrinkage limit	ASTM D427 AASHTO T92	\$ 50.00
S-6	Specific gravity		
	Water pycnometer	ASTM D854 AASHTO T100	\$ 70.00
	Trichloroethylene flask	ALASKA T-2	\$ 70.00
S-7	Moisture content	ASTM D2216	\$ 40.00
S-8	Dry density		
	Standard sampler	ASTM D2937 AASHTO T204	\$ 50.00
	Paraffin coated	AASHTO T233	\$ 40.00
S-9	Organic content		
	Burning at 1200EF	ALASKA T-6	\$ 50.00
	Wet combustion	AASHTO T194	\$ 45.00
S-10	Classification		
	Unified soil system	ASTM D2487	\$ 25.00
	AASHTO	A I soil manual	\$ 25.00
	FAA	A I soil manual	\$ 25.00
	Frozen soil	NRC 7576	\$ 25.00
S-11	PH determination		\$ 40.00

SOIL COMPACTION & CONTROL TESTS

S-30	Standard proctor compaction test	ASTM D598 AASHTO T99	\$ 400.00
S-51	Modified proctor compaction test	ASTM D1557 AASHTO T180	\$ 400.00
S-25	Relative density of cohesionless soils	ASTM D2049	\$ 350.00
S-53	Field density test		
	A. Sand cone method	ASTM D1556 AASHTO T191	\$ 90.00
	B. Washington dens-o-meter Method	ASTM D2167 AASHTO T205	\$ 95.00
	C. Nuclear method		\$ 75.00
	D. Providence method		\$ 100.00
S-54	Moisture-penetration resistance Of fine-grained soil	ASTM D1558	\$ 45.00
S-55	Field moisture determination	AASHTO T217	\$ 35.00